

NIXON ON SHIPYARD DEAL.

HIS PLANT SOLD TO THE TRUST WITHOUT APPRAISAL.

Except That Made by Young, Sole Promoter Says He Protested Against Spending Money on Bethlehem Works When It Meant Impairing the Surplus.

Lewis Nixon, former president of the United States Shipbuilding Company, went on the stand yesterday in the inquiry instituted by the complaining bondholders and told the story of the formation of the company and of the acquisition of the Bethlehem Steel Company from Charles M. Schwab.

Charles M. Schwab, who is under subpoena to testify, and Max Pam, who is also to be a witness, were among those present at the hearing, which took place in Samuel Untermyer's office. Before calling Mr. Nixon, Mr. Untermyer called Charles J. Canda, formerly president of the Canda Manufacturing Company of Carter, N. J.

Mr. Nixon said that he got the assets of his concern to the Shipbuilding Company \$200,000 cash, \$300,000 in first mortgage bonds and \$600,000 in preferred and common stock. The plant at that time, he admitted, was making a few experimental automobiles and had about forty men at work. It had never shown any earnings.

"What relation had your plant to the construction of ships?" asked Mr. Untermyer. The witness said that the plant was "available" for the construction of ships and that it had made a few launch engines.

Mr. Nixon, who gave the present occupation as a naval architect, was then called. He told of a prior scheme to organize a shipyard combine that was suggested in 1907 or 1908 in Andrew Freedman's office and said that options had then been secured. John W. Young was back of this, too, but it fell through.

Mr. Nixon said he had known Mr. Schwab ever since the latter came to New York, but that there was no suggestion of putting the Bethlehem company into the first combination. Nixon said he first knew that a project had been conceived when John W. Young called him up on the telephone.

Hethen told of the meeting of Schwab, Dresser and himself at the Lawyers' Club, in June, 1902, when Schwab offered to turn over the Bethlehem plant. He said that he understood from Schwab that the earnings of the plant for a year past had been \$1,500,000 over all fixed charges. Mr. Nixon corroborated Mr. Dresser's testimony as to Mr. Schwab's saying that he must cable to Mr. Morgan bank a check for \$1,500,000.

Mr. Untermyer then asked the witness if he knew why he had afterward been made a party along with Mr. Dresser in purchasing the company. He said that he had been told by Mr. Schwab that he had been making a plan to acquire the shipyard company and that there was no personal profit in the transaction.

Referring to the check which Dresser had given to Schwab, Mr. Untermyer asked if Mr. Schwab had signed it. "I didn't have it in my hand long enough to read it," said Mr. Nixon, "but I don't know the amount of it, either, nor to whom it was handed at the meeting in Morgan & Co.'s office."

The check, which was for \$7,141,791, was produced. It was drawn on the New York Security and Trust Company by Mr. Wren. Mr. Schwab's secretary, acting under his personal authority, it was payable to Dresser and Nixon, and was indorsed by them to J. P. Morgan & Co., by whom it was indorsed.

"Is there an account there to protect the interests of the Shipbuilding company?" asked Mr. Untermyer. Mr. Nixon replied that Mr. Dresser and himself were the only ones who had any interest in the company. The Bethlehem stock was brought in a valise and had been looked at a few certificates, but hadn't counted them.

Mr. Schwab's profits, disclosed that the latter, for taking \$500,000 bonds prior to the Bethlehem deal, had received as a bonus \$1,000,000 in bonds. It was payable to Dresser and Nixon, and was indorsed by them to J. P. Morgan & Co., by whom it was indorsed.

TRUST FUNDS MISSING.

Charges Against the Late Robert F. Wilkinson of Poughkeepsie.

POUGHKEEPSIE, N. Y., Oct. 21.—Revelations have been made in Surrogate Hoyard's court regarding the condition of the estate of the late Robert F. Wilkinson, especially relating to funds in his care as trustee. Mr. Wilkinson was for many years the leading lawyer in Poughkeepsie. He had filled the office of Recorder and was attorney for the New York Central railroad. He died suddenly in Europe last summer.

Soon after his death rumors became current that he had misappropriated trust funds. Nothing definite was known until proceedings were instituted by lawyers Frank B. Lown and Allison Butts, attorneys for John F. Halstead, a co-trustee with Mr. Wilkinson, under the will of Charles J. Buckingham, to compel an accounting from the administrators of Mr. Wilkinson's estate, the Buckingham trust funds, amounting to \$120,000.

Another action was brought by the beneficiaries of the trust, Charles H. Buckingham and Martha W. D. Wood, to obtain an accounting from Mr. Halstead and a voluntary action was instituted by Mr. Halstead that he be permitted to account for his trusteeship and resign.

Mr. Lown, the Surrogate's Court proceeding that in 1928 there were in the Charles H. Buckingham fund \$68,000 and in the Martha Wood fund \$60,000. After Mr. Wilkinson's death Mr. Halstead found that the securities had been removed from the safe deposit vault and he could find only \$30,400. Some \$42,000 in bonds formed a part of the Buckingham fund and \$3,000 or \$4,000 in bonds were all Mr. Halstead could find. Subsequently about \$20,000 of these bonds were found pledged in two banks for Mr. Wilkinson's private loans.

For the \$30,400 in securities claims have been submitted by other estates, and it is not known whether this amount really belongs to the Buckingham estate. Surrogate Hoyard ruled that the Wilkinson estate must render an account.

Robert Wilkinson, one of the administrators of his father's estate, in opposing the motion of Mr. Halstead, said that Mr. Halstead was subject to attack. As a trustee, Mr. Wilkinson said, it was in his power to prevent the other trustee from having access to the trust property. It should have been in joint custody. If a mortgage was paid off it was for him to see that everything was regular.

LARRY SUMMERFIELD PAYS. \$4,000 to the Complainant Does Not Affect Prosecution.

The trial of Larry Summerfield for complicity in the Horse Shoe Copper Mine swindle, which was set down for yesterday before Judge Newburger in the General Sessions, was put over until to-day upon the request of a representative of Summerfield's father, who was busy, he said, in another court.

"I have learned what Summerfield's defense is to be," said Assistant District Attorney Holt, who is to prosecute him. "A month ago he gave the complainant, G. W. Effinger, \$1,000 and obtained from him a receipt in full for all claims. Effinger then complained to me, saying that he had him out of \$7,200 in March, 1902, and upon the testimony of Effinger three other members of the Horse Shoe Copper Mining Company had been convicted and sent to prison. However, the payment of money after an indictment had been found does not interfere with the rights of the people."

SOFT COAL TEST CASE. Jersey City Has a Pennsylvania Railroad Superintendent Fined.

Frank P. Abercrombie, superintendent of the New York division of the Pennsylvania Railroad Company, was fined \$100 by Judge Henry J. Sweeney in the First Criminal Court, Jersey City, yesterday, on a conviction of violating a city ordinance forbidding the burning of soft coal.

It was alleged by Health Officer Fred Herring that soft coal was fired from a Pennsylvania trestle into a Newark avenue department store on Sept. 14. Mr. Abercrombie didn't deny it. The defendant, he has witnesses and used on drill engines in the city yards, but bituminous coal was burned on engines hauling freight and passenger trains.

Mr. Abercrombie said that he could not be fined to supply all the railroads in the country. Lawyer James B. Vredenburgh announced that he would apply for a writ of habeas corpus to remove the case to the Supreme Court for review.

BUSINESS TROUBLES. Isaac Kahn, Who Indorsed for Eisenberg, Out of the Firm of Kahn Bros.

Isaac Kahn, who has been the senior partner of Kahn Bros., metal dealers at 525 East Nineteenth street for thirty years, is out of the firm. He has been involved in the failure of his son-in-law, Abraham M. Eisenberg, importer of furs, for whom he indorsed to the extent, it is said, of over \$100,000. Creditors of Mr. Eisenberg have learned that he had sold a large amount of real estate to his brothers, Hermann, Jacob and Solomon, and to his sons, Nathan and Louis, the last transfer for a consideration of \$25,000.

SAYS HIS WIFE HIRED THUGS.

DENTIST CAUSES ARREST OF TWO OF EASTMAN'S GANG.

Warrant Out for Mrs. Brandeis. Too—He's Sure She Promised to Give Young and Brenner \$3000 to Disfigure or Slay Away With Him—She's Jealous, He Says.

Nathan Young of 47 Bowery and Paul Brenner of 244 East Seventh street, said to be members of Monk Eastman's gang, were arrested late yesterday afternoon by Detectives Finn and Stephens of the Union Market station, on a charge that they conspired with Mrs. Ray Brandeis to do up her husband, Bernard, a dentist of 262 Second street.

The arrests were made on warrants issued by Magistrate Hogan in the Essex Market police court, who also issued a warrant for the woman's arrest. The police were looking for her last night, but at her address, 208 East Third street, it was said she had gone out of town visiting.

Mrs. Brandeis, who isn't 20 years old, was married to Brandeis about a year ago. Her maiden name was Ray Rosenblum and she is the daughter of a wholesale grocer in Winnipeg, Manitoba. After their marriage Brandeis opened the dentist shop in the new flat house at 262 Second street. About three months afterwards the couple separated and she went to live at the East Third street address. Why they separated neither of them will tell.

The first police knew of the case was on Monday night when a telephone message from Police Headquarters was received at the Union Market police station to the effect that Dr. Brandeis was in a drug store in the neighborhood, where he had been chased by two thugs, and that he had telephoned from the drug store to Police Headquarters asking for protection. A policeman was sent to the drug store and found Dr. Brandeis there. He told the policeman that the thugs waylaid him but that he had managed to break away from them.

The police next heard from Brandeis on Tuesday afternoon, when he appeared in the Union Market station with three young men who, he said, were furnished necessary proof that his wife had entered into a conspiracy with two members of the Eastman gang either to kill or to disfigure him. He declared that he was intensely jealous of his wife. The men were Lewis Berke, of 185 East Ninety-third street, Samuel Frieder of 318 East Third street and Samuel Henschkowitz of 140 East Third street.

Brandeis's story was that after he had been escorted home from the drug store on Monday night two tough looking young men came in his office several times. One of them said he was offering to do what the supposed patient was in the chair, he said, Henschkowitz called him to the door and whispered to him that the two men inside were in a conspiracy to assault him, and were the same ones who tried to assault him earlier in the evening.

Brandeis ran to the street, and a moment later saw his two visitors dart from the place and disappear toward First avenue. After making this statement to Detectives Finn and Stephens, Brandeis handed them affidavits signed by the two men, Henschkowitz, giving the particulars of the alleged conspiracy. The affidavits were almost word for word the same, and were sworn to before Sigmund Frieder, a friend of Brandeis's, who is a dentist.

In them the three declare that on the afternoon of Oct. 19 they were in a barber shop at 118 Lewis street with Young when Brenner came in and offered to do what Brandeis is in the candy store next door, and wants to see us.

According to the three witnesses, they followed Young and Brenner into the store, where they heard Mrs. Brandeis agree to pay them \$300, according to the wording of the affidavits, "to disfigure or to do what Brandeis alleged, and that an advance of \$50 was to be paid that day and the balance "when the job was done."

Brandeis, his witnesses and the detectives went to the Essex Market police court yesterday, where Brandeis swore out a warrant for the arrest of his wife, Young and Brenner, and said to Young: "Mrs. Brandeis is in the candy store next door, and wants to see us."

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TAX OFFICIAL ACCUSED ANEW.

This Time of Grafting in Tax Department—Gives Bail on Other Charge.

Deputy Tax Commissioner Michael O'Sullivan (Tam.), who was arrested on Tuesday night, accused of taking a bribe from Erick Erickson, a motorman who wanted to become a policeman, was arraigned yesterday morning before Justice Wyatt of Special Sessions and held in \$1,000 bail for examination on Monday. He gave the bail and also made a statement.

"I am a lawyer, a graduate from the Columbia law school," he said, "and Erickson was my client. I took the money from him. It was a retainer and I gave him a receipt. He did not say what he had been retained for."

The Tax Commissioners announced yesterday that they are going to try O'Sullivan to-morrow on charges of gross misconduct in sitting around the investigation they have been making for weeks. The Tax Commissioners charge that O'Sullivan, while on duty, made an unlawful proposition to Capt. Bell, partner and owner of some real estate in Woodhaven. O'Sullivan, they say, suggested that Bell's property be assessed as city lots and Bell replied that this would be impossible as the property was under cultivation as a farm. Whereupon, it is alleged, on Oct. 2, O'Sullivan said to Capt. Bell:

"Your property ought to be assessed for \$76,000. For \$200 I will put it down to \$24,000."

The Tax Commissioners also say that on Oct. 2 O'Sullivan said in substance, to Mr. Luce, of the balance and Grosvenor Manufacturing Company, which has a plant in Queens county:

"You know what the property was assessed at last year, \$30,000. It was worth \$100,000. I would like to see the lawyers of the company about this. Do you know Col. Cogswell one of the Tax Commissioners? Well, nothing must be said to him about this."

The Tax Commissioners would not discuss the matter yesterday, as they are to sit in judgment on the charge.

GEN. HUGHES IN BANKRUPTCY. Refuses to Answer Questions Regarding Alleged Forged Notes.

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PUP PLAYED WITH DYNAMITE.

BILL DEVEERY, YELLOW DOG, WON'DERS WHY HE'S UNPOPULAR.

Picked Up a Cartridge and Banged Around With It—Took a Dousing and a Clucking to Make Him Let Go.

There is a mongrel pup on the West Side who has made such a public character of himself that folks have got to calling him Bill Devery. Like his distinguished namesake, this Bill Devery has a pretty good opinion of himself. He sees no disadvantages in the absence of one eye, a sickly yellow coat and an inch and a half of stump where a more beautiful dog would have a tail.

Mongrel Bill recently succeeded in ingratiating himself with James Buck, an engineer for a hod hoisting machine company, which has a plant at Tenth avenue and Sixty-third street. Buck handed Bill some meat and milk one fatal afternoon, and Bill has stuck to him like a leech ever since. He regards the graft as good.

Since he attached himself to a hod hoisting company, yellow Bill—that is, the dog—has been rather chummy. He thinks he knows a lot about things, and has acquired a habit of sitting around the workingmen with a heap of wisdom in his one eye, superintending their job.

Yesterday morning Bill sauntered out of the yard to look the neighborhood over. He came across a six inch stick of pasty yellow stuff and decided that it was worth taking back to the yard.

On his arrival at the yard Bill became frisky. He tossed the stick up in the air as though it was a rat, made a few quick circles around it, grabbed it again between his teeth and ran perk up against a stone wall, in his excitement.

Policeman John M. Hayes, thinking that the dog had caught a rat, stopped a moment to watch the fun. As Bill hit the wall he lost his plaything and Hayes went over to see what it was. It was dynamite.

Before the policeman could get the stick Bill recovered from his collision with the wall, got the dynamite again and dashed up a habit of sitting around the workingmen with a heap of wisdom in his one eye, superintending their job.

Bill dropped the dynamite and rolled over and over, wondering why he was so unpopular. Hayes grabbed the stick of dynamite, put it in a pail of water and carried it to the Bureau of Combustibles. When it got there it was found to be badly chewed. It was quite harmless however, as it was not capped. The story of the dynamite bit comes from the neighborhood before the afternoon was over, and Bill's unpopularity with the masses has considerably increased as a result. Bill may get worse than a club if he ventures out of the yard before public opinion cools down. For you might as well tell the real Bill Devery that he won't be elected Mayor of New York next month as to tell these folks that that dynamite couldn't have exploded.

Dr. van Dyke to Close "Avalon."

PRINCETON, N. J., Oct. 21.—Owing to the poor health of his wife, Dr. Henry van Dyke will close Avalon, his Princeton home, this winter. Mrs. van Dyke will spend the winter in the South, but Dr. van Dyke will remain here and continue his course of lectures in the university.

Harvard-Yale Debate on Dec. 4.

CAMBRIDGE, Mass., Oct. 21.—The annual Harvard-Yale debate will be held this year at New Haven on Dec. 4. Yale will submit the question. The trials to select the Harvard team will be held on Oct. 27, Oct. 30 and Nov. 2.

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BANKERS DROP SURETY PLAN. PLAN TO CARRY THEIR OWN FIDELITY INSURANCE KILLED.

Opposition of Established Surety Companies Proves Effective in the San Francisco Convention—Plan for a Bank Money Order System Adopted.

SAN FRANCISCO, Oct. 21.—The twenty-ninth convention of the American Bankers' Association opened to-day at the California Theatre. It decided two important questions, one of which has been much discussed for five years.

It is settled that bankers shall not carry on their own fidelity insurance for that of employees and it arranged for a uniform system of bank money orders.

Five years ago a committee was appointed to study and report on a scheme for establishing one great surety company under the control and supervision of the Bankers' Association. The plan comprised the issue of all indemnity bonds to bank employees who handle funds.

This committee reported to-day and presented an amendment to the constitution providing for the formation of the surety company. Bitter opposition developed at once. The executive committee made a report against the plan, and then it was attacked right and left on the floor of the convention.

Bank Falls in Lockport, Ill. LOCKPORT, Ill., Oct. 21.—The Exchange Bank closed its doors to-day. The bank was capitalized at \$25,000 and the deposits were \$40,000. C. H. Bacon, former Mayor and State Senator, is president of the bank.

Great Bank Didn't Pay Its Rent. Justice Amend of the Supreme Court has appointed James M. Hughes of Dover, N. J., receiver of the property in this State of the International Bank and Trust Company of America at 64 Wall street, on the application of Warren L. Sawyer, a stockholder. Hughes was appointed receiver in Delaware on Tuesday. The assets here are estimated at \$25,000. There is a suit for \$20,000 pending here against the company and Deputy Sheriff Fogarty has received an attachment against it for \$63 in favor of Charles A. Gould for rent of offices at 64 Wall street.

Rock Island System UPTOWN OFFICE: 513 Ave. and 35th St. DOWNTOWN OFFICE: 401 Broadway.

A. H. MOFFET, GEN'L. EASTERN PASS. AGENT. A large portion of the private library will be sold. There are many limited subscription editions and specially bound books. JOHN FELL O'BRIEN, Auctioneer.